

## Message Text

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73-62

ACTION EA-06

INFO OCT-01 SS-14 ISO-00 NSC-05 NSCE-00 INR-05 PM-03

DODE-00 SP-02 EB-03 MC-01 L-01 PRS-01 OMB-01 /043 W

----- 126122

R 210934Z MAY 75

FM AMEMBASSY MANILA

TO SECSTATE WASHDC 3658

C O N F I D E N T I A L MANILA 6980

LIMDIS

E.O. 11652: GDS

TAGS: EAIR, MASS, RP

SALE OF F5E AIRCRAFT

1. NORTHROP REPRESENTATIVES ARE PRESSING GOP TO PURCHASE FOURTEEN F5E AND TWO F5F AIRCRAFT. ESTIMATED COST \$70 MILLION, ABOUT HALF OF WHICH BILLED AS GROUND SUPPORT EQUIPMENT, WEAPONS, TRAINING, COMPONENT IMPROVEMENT, ETC., TO BE FMS FINANCED AND OTHER HALF DIRECT NORTHROP CONTRACT WITH PHILIPPINE AIR FORCE. AIRCRAFT WOULD COME FROM PRODUCTION LINE WITH DELIVERY PROMISED IN ID-77. NORTHROP IMMEDIATE OBJECTIVE IS LETTER OF INTENT FROM GOP BY MAY 31.
2. IN DISCUSSIONS WITH EMB AND MAG, NORTHROP HAS STRESSED STATE AND DOD HAVE NO OBJECTION TO GOP PURCHASE OF F5E'S. IN RESPONSE TO OUR DIRECT QUESTIONING, NORTHROP REPS STATED LOCAL AGENT, WHICH WOULD COLLECT QUOTE NORMAL UNQUOTE COMMISSION, IS COMPANY NAMED MATTERHORN BUT NORTHROP PLEADED IGNORANCE ABOUT COMPOSITION OF COMPANY.
3. SUBSEQUENT CHECK OF OUR RECORDS REVEALS MATTERHORN TO BE CORPORATION HEADED BY SALIENTES, UNDER SECRETARY OF DEFENSE.

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4. IN RESPONSE TO QUERY, EXECUTIVE SECRETARY  
MELCHOR TOLD AMB MAY 20 HE KNEW NOTHING ABOUT GOP  
INTEREST IN PURCHASING F5E'S FROM NORTHROP AND  
MELCHOR SPEECHLESS AND EMBARRASSED TO LEARN ABOUT  
SALIENTES' CONNECTION WITH MATTERHORN.

5. LOCAL NORTHROP REPRESENTATIVE BEING INFORMED  
OF OUR CONCERN OVER CONFLICT OF INTEREST AND OF  
OUR DISPLEASURE IN NORTHROP NOT LEVELING WITH US.  
HE WILL BE INFORMED THAT UNDER THE CIRCUMSTANCES,  
WE CANNOT CONDONE THE TRANSACTION AND ARE SO  
INFORMING THE DEPT OF STATE.

6. ACTION REQUESTED: URGE DEPT TO CONTACT  
NORTHROP AND INFORM THEM THAT USG CANNOT CONDONE  
PROPOSED SALE OF F5E'S TO GOP WHICH APPARENTLY  
INVOLVES SERIOUS CONFLICT OF INTEREST.

7. COMMENT: THERE ALSO IS POSSIBLITY ADDITIONAL  
PLOY IN NORTHROP HASTE TO GET LETTER OF INTENT  
FROM GOP AS COMMITMENT TO COMMERCIAL SALE WOULD  
MAKE IT DIFFICULT OR IMPOSSIBLE FOR PHILIPPINES  
TO ABANDON PURCHASE IF IT WERE OFFERED F5E'S  
WHICH MIGHT BE DECLARED EXCESS FROM RECLAIMED  
VIETNAM MAP.  
SULLIVAN

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NNN

## Message Attributes

**Automatic Decaptioning:** X  
**Capture Date:** 01 JAN 1994  
**Channel Indicators:** n/a  
**Current Classification:** UNCLASSIFIED  
**Concepts:** AIRCRAFT, SALES, MEETINGS  
**Control Number:** n/a  
**Copy:** SINGLE  
**Draft Date:** 21 MAY 1975  
**Decaption Date:** 01 JAN 1960  
**Decaption Note:**  
**Disposition Action:** RELEASED  
**Disposition Approved on Date:**  
**Disposition Authority:** GolinoFR  
**Disposition Case Number:** n/a  
**Disposition Comment:** 25 YEAR REVIEW  
**Disposition Date:** 28 MAY 2004  
**Disposition Event:**  
**Disposition History:** n/a  
**Disposition Reason:**  
**Disposition Remarks:**  
**Document Number:** 1975MANILA06980  
**Document Source:** CORE  
**Document Unique ID:** 00  
**Drafter:** n/a  
**Enclosure:** n/a  
**Executive Order:** GS  
**Errors:** N/A  
**Film Number:** D750179-0065  
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**Office:** ACTION EA  
**Original Classification:** CONFIDENTIAL  
**Original Handling Restrictions:** n/a  
**Original Previous Classification:** n/a  
**Original Previous Handling Restrictions:** n/a  
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**Previous Channel Indicators:** n/a  
**Previous Classification:** CONFIDENTIAL  
**Previous Handling Restrictions:** n/a  
**Reference:** n/a  
**Review Action:** RELEASED, APPROVED  
**Review Authority:** GolinoFR  
**Review Comment:** n/a  
**Review Content Flags:**  
**Review Date:** 23 JUL 2003  
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**Review Transfer Date:**  
**Review Withdrawn Fields:** n/a  
**Secure:** OPEN  
**Status:** NATIVE  
**Subject:** SALE OF F5E AIRCRAFT  
**TAGS:** EAIR, MASS, RP  
**To:** STATE  
**Type:** TE  
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